

**Northern Joint Police Board
Finance and Policy Working Group**

Minutes of Meeting of the Finance and Policy Working Group held in Council Headquarters, Glenurquhart Road, Inverness on Friday, 9 January 2009 at 2.00 p.m.

Present:

Representing the Highland Council

Mr I Ross
Mr G Smith
Mr H Wood

Representing Comhairle nan Eilean Siar

Mr N M Macleod
Mr I Mackenzie

Representing Orkney Islands Council

Mr R Leslie

Representing Shetland Islands Council

Mr A Cooper

Official in attendance:

Mr I Latimer, Chief Constable
Mrs E Ward, Force Director of Finance
Mrs M Grigor, Treasurer's Office
Ms M Morris, Clerk to the Board
Mrs R Moir, Clerk's Office
Mr S Taylor, Clerk's Office

Mr N M Macleod in the Chair

1. Apologies for Absence

An apology for absence was intimated on behalf of Mr B Murphy.

2. Revenue Estimates 2009/10

There had been circulated Report No. F&P1/09 dated 22 December 2008 by the Chief Constable inviting Members to recommend to the Board approval of the draft revenue budget for 2009/10. Appendix 1 to the report set out a summary budget outlining the headline budget movements from 2008/09 to 2009/10. Appendix 2 outlined the requisition allocations. A revised Appendix 2 was tabled at the meeting, taking into account the impact of new mechanisms for delivery of capital grant (item 3 below refers).

The Chief Constable drew the Working Group's attention to the main points contained in the report, including that:

- the budget presented reflected an increase of 1.7% over 2008/2009
- the budget fundamentals had already been the subject of talks with the Constituent Authorities, who were broadly content, and such discussions would continue in future years

- it was anticipated that, by the end of 2009/2010, the budget would support a Force strength of 800 police officers, included 43 officers fully funded by the Scottish Government
- the budget had been built on the basis that £2.256m would transfer to the Scottish Police Services Authority (SPSA) for the provision of ICT
- an anticipated pensions shortfall of £497,000 still remained after taking into account additional Scottish Government funding to help alleviate the pensions burden, while the likelihood of a successful outcome to national discussions on whether the government might take over responsibility for all future pensions funding remained unclear.

The report also highlighted other non-staff costs that would have a significant budgetary impact, such as premises costs, transport costs and supplies and services.

During discussion, in response to questions, the Chief Constable advised Members that:

- he would have full management control over those officers centrally funded
- he could not state whether full funding for them would continue after the term of the current 3-year Comprehensive Spending Review
- expenditure fluctuations would be reflected in future requisitions in accordance with the “Montgomery Formula”
- the legalities surrounding the use of qualified police divers limited the capacity to use private sector expertise.

After discussion, the Working Group **NOTED** the report and the information given and **AGREED** to recommend to the Board that the draft budget for 2009/10 be approved, taking into account the tabled revised requisition allocations.

3. Police Capital Grant

There had been circulated Report No. F&P2/09 dated 23 December 2008 by the Treasurer on the payment of police capital grant in 2009/10.

The report reminded Members that, from April 2004 to April 2007, Police Capital Grant had been paid directly to the Police Service. However, for the financial year beginning April 2008, reflecting the terms of the Scottish Government’s concordat with Local Authorities, there had been a change in the funding mechanism: Police capital grant was now included in the General Capital Grant paid by the Scottish Government to the Local Authorities and was not ring fenced. At the same time, no agreed process had been put in place to consider the disbursement of the Grant to joint boards.

For 2008/09, agreement on the budgeted amount of capital grant to be paid to the police service had been included in the consideration of the 2008/09 requisitions on the Constituent Authorities, allowing a payment stream throughout the financial year, rather than a full year-end charge. Any necessary adjustments to the capital element of the requisition payments would be carried out at year end, taking into account the actual capital expenditure incurred in each constituent authority, applying the same Montgomery principles as for revenue payments.

The report advised that total revenue contributions to capital and the use of the capital receipts reserve would be allocated across the constituent areas on the basis of the total Net Constituent Capital Expenditure (NCCE) for each constituent area, with the resulting figure being the police capital grant to be paid by each constituent area.

NCCE was defined as total capital expenditure in the constituent area, less any income directly attributable to the specific projects in the constituent area, less any capital receipts raised in the constituent area in the year.

For 2009/10, the indication was that the level of capital grant relating to the police service, included in the General Capital Grant of the local authorities, would be based on the 2008/09 level, but reduced by £74,000 to take account of the transfer of Police ICT to the Scottish Police Services Authority (SPSA). It was therefore proposed that, for budgetary purposes, the total capital grant for the police service be £1.411m. The capital grant would be paid by the constituent authorities on this basis throughout the year, and the actual police capital grant charge for 2009/10 would be based on the process outlined in the preceding paragraph.

In response to a question as to whether Northern Constabulary would be required to make a capital contribution to the costs of the proposed new forensics Laboratory at Dundee, it was confirmed that this would not be required, as the costs would be the responsibility of the SPSA. The Convener reiterated his previously expressed concerns about the proposals to close the existing Grampian Laboratory at Aberdeen and transfer its functions to Dundee. The Chief Constable confirmed that he would prefer to retain his good professional relations with the Grampian Laboratory and reiterated his concerns as to the lack of consultation with affected police authorities.

The Working Group **NOTED** the report and the information given and **AGREED** to recommend to the Board that it approve:

- i. the method of calculating the police grant to be charged to constituent authorities, as described; and
- ii. a police capital grant budget for 2009/10 of £1.411m.

The meeting ended at 2.45 p.m.